

DMB COPY

JUL 11 1986

Kelsey Hayes Co.
Gunite Division
ATTN: Mr. John Williamson
Plant Manager
302 Peoples Avenue
Rockford, IL 61101

License No. 12-02360-02
License No. 12-02360-03

Gentlemen:

This refers to the routine safety inspection conducted by Mr. R. J. Caniano of this office on May 30 through June 11, 1986, of activities authorized by NRC Byproduct Material Licenses No. 12-02360-02 and No. 12-02360-03 and to the discussion of our findings with you and Mr. William Robison at the NRC Region III office on June 11, 1986.

The enclosed copy of our inspection report identifies areas examined during the inspection of your License No. 12-02360-02. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

During this inspection, for License No. 12-02360-02, certain of your activities appeared to be in violation with NRC requirements, as specified in the enclosed Appendix. No violations were identified for License No. 12-02360-03.

In addition to the violations specified in the enclosed Appendix, we expressed concern regarding a document encountered during the inspection. This was discussed with you during a meeting held at the Region III office on June 11, 1986, and is described in the enclosed report.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

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REG3 LIC30
12-02360-02 PDR

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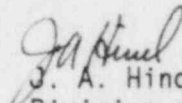
Gunite Division

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JUL 11 1986

We will gladly discuss any questions you have concerning this inspection.

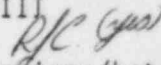
Sincerely,

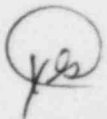

J. A. Hind, Director
Division of Radiation
Safety and Safeguards


Enclosures:

1. Notice of Violation
2. Inspection Report
No. 030-04071/86001(DRSS)

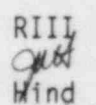
cc w/enclosures:
DCS/RSB(RIDS)

RIII

Caniano/kst
7/2/86


RIII
Sreniawski
7/24/86


RIII
Axelsson


RIII
Weil
7/11/86


RIII
Hind
7/11/86